WEEKLY ECONOMIC REVIEW

September 7, 2007

Alberta's employment was essentially unchanged in August, as declines in part-time (-5,200) offset gains in full-time jobs (+5,000). The unemployment rate inched up to 3.5% as more people entered the labour force. National employment rose by 23,300, or 0.1%, in August, keeping the unemployment rate at a 33-year low of 6.0%.

U.S. non-farm employment dropped 4,000 in August, the first decline in four years, mainly due to the weakness in construction and manufacturing sectors. The figures strengthened beliefs that the U.S. Fed will cut interest rates on September 18.

With prospects of lower interest rates in the U.S. and continued turmoil in financial markets, the Bank of Canada kept its target for overnight rate unchanged at 4.5% on Wednesday.

Residential construction investment in Alberta reached $3.6 billion in the second quarter of 2007, a 16.9% hike from the same quarter in 2006. National residential investment increased by 7.0% in the second quarter to a record high of $22.8 billions. Over the same period, Alberta's investment in non-residential construction was up by 44.1% from the second quarter of 2006, more than four times the growth in national investment (10.7%).

Cdn Dollar (US¢/CS)

September 7, 2007	94.8
August 31, 2007	94.7
2007-08 YTD	92.8

WTI Oil US$/bbl

September 6, 2007	$ 76.30
August 30, 2007	$ 73.36
2007-08 YTD	$ 68.59

Nymex Natural Gas CS/MMBtu *

October Contract

September 7, 2007	$ 5.76
August 31, 2007	$ 6.04

*Estimate based on Nymex Futures Market Price

Despite the significant gains in residential and non-residential construction in the first half of 2007, the pace of growth is likely to moderate over the third quarter. In July, Alberta's building permits fell by 10.1% due to drops in both residential (-15.3%) and non-residential sectors (-0.6%).

An average of 234 rigs were drilling in Alberta in August, down 40.1% from August 2006. In the first eight months of 2007, the average number of rigs drilling fell by 37.0% over the same period in 2006.

Oil prices reached a five-week high of US$76.30 on Thursday on sharply lower U.S. crude stocks and tensions in the Middle East and Nigeria.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Employment (000s)	**August**			
Alberta	1,969	0.0%	4.7%	5.1%
Canada	16,872	0.1%	2.3%	2.2%
United States	138,037	0.0%	1.2%	1.4%
Building Permits ($ Millions)	**July**			
Alberta	1367	-10.1%	14.3%	25.4%
Canada	6,155	-11.3%	11.5%	17.3%
	2nd Quarter	**Quarter/Previous Quarter (Q/Q)**	**Quarter/Previous Year's Quarter (Y/Y)**	**Year-to-date[1]**
Alberta				
Residential Construction Investment ($ Millions)	3,637	12.3%	16.9%	20.1%
Non-Residential Building Construction Inv($ Millions)	2,316	11.1%	44.1%	43.0%

Source: Statistics Canada

[1]Year-to-date 2007 compared to the same period in 2006.